



Overview of the revised national eligibility rules

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21st February 2013





Overview of Maltese FLC system

- Expenses incurred by the respective entity have to be controlled by an independent controller
- Upon review and endorsement, the claim is submitted to our Unit for verification





Main FLC documentation

- Manuals issued under the respective Programmes
- National Eligibility rules for Territorial Cooperation Programmes and Annexes
- Documents of equivalent value if it is not possible to provide documentation outlined in above mentioned manuals





Partners' and Controllers' declaration

- The rules listed in the subsidy contract have been observed
- The costs fall within the timeframe of the project and the respective claim (all documents should be dated)
- Receipts and payments are accurately recorded in the project's accounting system and the assets are properly recorded





Partners' and Controllers' declaration

- For a project whose total allocation of 1M€ any revenues generated were deducted from the eligible expenditure
- The necessary audit trail exists for all activities, providing evidence in the form of contracts, invoices and payment records
- Services, supplies and works have been procured on the basis of a proper call for tenders in compliance with European, national, internal or other relevant rules





Partners' and Controllers' declaration

- In the case of staff costs, the pay slips submitted by the partner are those generated by the payroll system
- Progress made has been fully and fairly reflected in the report
- The partner has complied with Community rules and policies including publicity, equal opportunities, protection of environment, state aid, competition and public procurement





Partners' and Controllers' declaration

- The work has been checked according to the control checklist under the respective Programme
- Controller confirms that he/she is independent from the project's activities and financial management and authorised to carry out the control (MFEI list)





Main categories of expenditure





Staff costs

- **Internal:** those staff members who have a working contract with the organisation and who dedicate a number of their normal working hours to the project
- 35% threshold





Documentation required

- Partner Declaration on Staff costs
- Letter of assignment
- Detailed timesheets
- A pay slip (corresponding to relevant period)
- Staff costs calculator
- Documentary evidence of fixed allowances





Documentation required (2)

- Proof of payment to the employee:
 - (i) Public entity: Transfer of funds from Treasury
 - (ii) Non Public: bank statements or a declaration from the employee and a counter declaration from the employer





External experts / services

- Individuals / entities specifically employed or assigned to carry out certain tasks for the project
- These might include:
 - project coordination
 - website design
 - event organisation
 - interpretation services





Documentation required

- Contracts / Letters of Offer / Letters of Acceptance
- Timesheets and payslips / invoices and receipts
- Proof of transparency in the selection process





Voluntary staff

- Hourly rate should be less than current market value
- Specific reference to such costs should be made in the controller's certificate
- Should not exceed 15% of budgetary allocation





Documentation required

- Partner Declaration on Voluntary Staff costs
- Letter of Assignment
- Timesheets and list of duties carried out
- Description of the work carried out, illustrating input by the person doing voluntary work
- Controller's evaluation of voluntary work





Travel expenditure

- Incurred in the EU regions which are eligible to participate in the respective programme
- Carried out by personnel working on the project
- Directly related to the implementation of the project
- All participants (including non public organisations) must refer to latest MFEI travel Circulars





Documentation required

- Agenda / invitation
- Boarding passes and travel tickets
- AirMalta / Quotations – Refer to Circular MFEI 7 /12
- Invoices and receipts
- Travel report
- Confirmation that the fares as well the respective departure and arrival times were taken into consideration when selecting the itinerary





Per diem and contingency

- A fixed subsistence or per diem allowance should be issued in line with MFEI Circulars
- Class A vs Class B (approvals required)
- Contingency money may be advanced to travelling officers to cover expenses related to airport/hotel transfers





Documentation required

- Subsistence statement of expenditure
- Copy of Funds Transfer Report and copy of Debit Advice from CBM or other bank accounts
- A signed declaration by the person who received the per diem stating that the money has been received
- Taxi / bus / train receipts





Local Travel costs

- General Principle: Expenses incurred for local travel are not eligible
- However, expenses in connection with project specific activities e.g. field work, Steering Committees, etc may be considered as eligible





Organisation of conferences

- Attendance sheets should always be circulated during conferences and presented with the respective claims
- Attendance fees should be deducted
- Catering costs, coffee breaks, meals or refreshments are eligible as long as they are listed in the agenda





Administration costs

- Direct general costs include costs such as mail, fax, phone, copying costs, consumables etc which expenses are incurred solely in connection with the project
- Indirect general costs These include overheads related to the project's activities, which are calculated on a pro rata basis
- Only direct costs may be claimed except for costs under the fourth call of the IVC programme and the ENPI Programme





Documentation required

- Invoices and receipts
- Proof of direct relation of such costs with the project (e.g. itemised bill)





Durable goods

- Necessary for the implementation of the project?
- Supporting equipment used solely for the project: depreciation
- Supporting equipment used for other purposes: apportionment





Double financing

- Any activity cannot be supported by two Programmes
- Declaration stating that the respective expenditure has not been claimed and will not be submitted for reimbursement purposes under any other Programme





Procurement

- All Partners, including non-public entities, should follow the principles of transparency, equal treatment and non-discrimination whenever a good / service is procured
- Public entities should adhere to procurement regulations issued by the Department of Contracts by means of Legal Notice 296/2010





Procurement (2)

- Local Councils: respective legislation i.e. Subsidiary legislation 363.01
- Notices in Government Gazette for expenditure which is in excess of €2,500 (Contracts Circular 44/2007)
- Number of quotations obtained: three quotations
- Direct orders: sufficient reasons and the appropriate approvals





VAT

- VAT is eligible expenditure for reimbursement purposes only if it is borne by the Beneficiary
- Project participants are requested to confirm their VAT status with the Department of VAT
- VAT amounts should always be listed separately on invoice



Documentation instead of VAT receipts



- Foreign Supplier: declaration + bank statement
- Tax invoices: reference to details of supplier and the buyer, including VAT numbers of both entities, addresses, VAT as a separate line item
- Less than € 7,000: Declaration by supplier re exemption from registering for VAT under Article 11 of the VAT Act (Cap.406) on the basis of Legal Notice 524 of 2010





Retention of documents

- All partners are requested to retain the project's documentation at least until the end of 2020
- The filed documents should be originals
- Certified true copies should be sent to the Lead Partner for onward transmission to the Programme Authorities





Information available from:

- www.fpd.gov.mt
(key documents and downloads section)
- Territorial Cooperation Unit





Thank you
for your attention

